



FISCAL NOTE

HB 597 - SB 1103

February 17, 2019

SUMMARY OF BILL: Extends by six years, from May 21, 2020, to May 21, 2026, the authority of Davidson County to impose a hotel occupancy tax in excess of \$2.00, and the terms of the members of the Event and Marketing Fund Committee of Davidson County.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – Extending authority for Davidson County to continue imposing a hotel occupancy tax in excess of \$2.00, will allow Davidson County to maintain funding of approximately \$3,716,100 each FY20-21 through FY25-26. County

Assumptions:

- Pursuant to Tenn. Code Ann. § 7-4-202(a), the Davidson County government is authorized to impose an additional privilege tax of up to \$2.50 upon the occupancy of each hotel room within its territory.
- Pursuant to Tenn. Code Ann. § 7-4-202(d)(2), any amount of privilege tax imposed on hotel room occupancy in excess of \$2.00 shall expire on May 21, 2020.
- This legislation will extend the imposition of the additional \$0.50 tax per room (\$2.50 - \$2.00) from May 21, 2020, to May 21, 2026.
- Pursuant to Tenn. Code Ann. § 7-4-202(d)(1), any revenue collected from the additional \$0.50 tax shall be deposited into the Event and Marketing Fund of Davidson County.
- According to Davidson County, approximately \$3,716,106 was collected in FY17-18 pursuant to the \$0.50 tax. Under current law, this amount is assumed to remain constant until the expiration of the tax.
- Extending the \$0.50 tax on hotel room occupancy for an additional six years, as proposed by this legislation, will result in the Event and Marketing Fund of Davidson County maintaining \$3,716,106 each year FY20-21 through FY25-26.
- Members of the Committee are assumed to serve without compensation. Therefore, extending the terms of the Committee members will not result in a significant increase in expenditures for Davidson County.

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CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

/jdb